

**October 6, 2014**  
**Joint Special Meeting with Asheboro City Council**

The Randolph County Board of Commissioners met jointly with the Asheboro City Council in special session at 6:00 p.m. in the Randolph County Historic Courthouse, 145 Worth St., Asheboro, NC. Commissioners Harold Holmes, Darrell Frye, Stan Haywood, Phil Kemp and Arnold Lanier were present, as well as, County Manager Richard Wells; Finance Officer Will Massie; Associate County Attorney Aimee Scotton; Amanda Varner, Clerk to the Board and Dana Crisco, Deputy Clerk to the Board. In attendance from the City of Asheboro were Mayor David Smith; Council members Charles Swiers, Clark Bell, Linda Carter, Talmadge Baker, Eddie Burks, Mike Hunter and Walker Moffitt; City Manager John Ogburn; Holly Doer, Clerk to the Council; City Finance Officer Debbie Reaves and City Attorney Jeff Sugg; and Bonnie Renfro, EDC President.

At 6:00 p.m., Chairman Holmes called the meeting to order for the County and welcomed those in attendance.

Mayor David Smith called the meeting to order on behalf of the City and opened the public hearing for the City.

Chairman Holmes opened the public hearing on behalf of the County.

**Incentives Request for Technimark LLC**

**Bonnie Renfro**, EDC President, stated that Technimark LLC, headquartered in north Asheboro is a private company with 12 global manufacturing sites in Asheboro, Mexico, Germany and China. The company is one of the 15 largest plastic injection molders in the US and sells into three major market segments, consumer packaging, technical specialties and proprietary products. The company's core services are plastic injection molding, sub-assembly, and decoration. These are supported by a Technology/RD group with more than 25 employees involved in product development, industrial design, engineering and tool building services. Customers, many of which are Fortune 500 companies, are very diverse and represent a wide array of markets including Wal-Mart, Proctor & Gamble, Estee Lauder and Black & Decker. Industries served include consumer packaging, industrial components and consumer durable products.

Ms. Renfro highlighted the additional information about Technimark, the project and the incentive package:

- Technimark has received numerous awards for sustainability and quality product and service from their customers and industry, including recognition by Wal Mart as the supplier with the most significant contribution to sustainability and by Proctor and Gamble as a Supplier of Excellence six years in a row and as a Super Supplier, in the top 15 of 80,000 suppliers.
- Their global growth pattern is more than 10% annually. In Asheboro they currently have five injection molding sites, one recycled resin compounder, and one tool shop as well as the corporate offices and technology and design center.
- One of Technimark's unique proprietary products is the recycling and compounding of plastic materials for re-use in injection molding facilities or for sale in the market. They

set-up this facility initially to prevent customers of their proprietary products from throwing some single-use packages into landfills.

- At a sister company, Wellmark, they operate a dedicated recycling facility combined with a full-service compounding operation that can tailor make the recycled materials to the exact specifications required for use in high-end applications.
- Technimark has secured additional business from existing customers and gained significant new contracts, requiring additional production capacity. Within their global footprint on three continents, they have multiple opportunities and inquiries to grow with customers globally and in other regions of the U.S. Over the last several months, the company has considered various locations for new US production capacity including Asheboro and locations in five states in the Midwest and Mid-Atlantic US. Multiple customers have asked that they consider injection molding factories closer to their filling centers.
- This highly competitive project could mean broad benefits for continued growth in Asheboro and Randolph County. Technimark has requested consideration of economic assistance and incentives from the city, county and state of North Carolina to offset costs during the initial phases of establishing a new operation.
- The company is considering construction of a new rail served manufacturing facility at 527 W. Central Avenue in Asheboro that would provide expanded molding capacity to meet client demand. Over the next five years, the company and its related parties would invest \$46 million in both real and personal property to create new manufacturing and related distribution.
- The manufacturing execution strategy requires highly skilled and motivated technical staff and manufacturing teams. Current employment at the five Asheboro manufacturing facilities and corporate offices totals 981. The company also employs approximately 170 contract workers at entry level production jobs.
- This expansion project would result in creation of 224 new jobs over five years, making Technimark Randolph County and Asheboro's largest manufacturing employer with 1,205 direct full time employees. Average wages of \$31,266/year for the new jobs will exceed Randolph County's average weekly wage standard and in addition they offer a full benefit package valued at 25% of wages.
- The project will expand the 600,000+ square feet of current owned and leased space in Randolph County.

Ms. Renfro asked that the City of Asheboro and Randolph County authorize all appropriate resolutions and document preparation to enter into an economic development incentives contract with Technimark LLC., as permitted by North Carolina General Statute Section 158-7.1 and that the City of Asheboro and County of Randolph provide to Technimark a total of \$1,000,000 to assist the company with costs associated with the expansion project.

Ms. Renfro proposed that Asheboro provide a total of \$500,000 and Randolph County provide a total of \$500,000, sharing equally in the funding assistance. The funding to be paid in

no less than six annual installments contingent on the company meeting job creation and investment performance requirements. Those requirements would be formalized in an economic incentives agreement. The company would agree to remain in operation in Randolph County for six years following the date of the final installment of the incentive payment. If the company does not remain in full operation, a portion of the incentive money must be returned to the City and County.

Ms. Renfro said that one has to look at the total benefit to the citizens of the city and county for each economic development project. Consider the economic impact from job creation in our community and the income and benefits those jobs provide. Also consider the city and county's tax base and the impact on supplier businesses from the multiplier effect of manufacturing jobs.

Ms. Renfro stated that it is particularly significant to see a home grown company that started in 1983 in Asheboro grow to be a world class global operation. The City of Asheboro and Randolph County's support for this company's growth directly impacts their decision to invest and create new career opportunities in the US and in Asheboro North Carolina. The Randolph County EDC sees this request as an investment, rather than an expense. Your support of wealth creation activities through the location and expansion of manufacturing companies supports a strong local economy, a growing tax base that helps to keep tax rates low for all and quality job opportunities for our citizens. Technimark is currently the fourth largest employer in Randolph County and the City of Asheboro and fourth largest taxpayer for the County and third for the City.

**Fred Richey**, Vice President of Corporate Development at Technimark LLC, spoke in favor of the incentives and thanked the Boards for their continued support through incentives. Mr. Richey said that incentives are important to them because it is very expensive to get a new facility started. The cost of initial infrastructure during the first few years leaves very little revenue to cover other expenses.

He said he had traveled over 1000 miles in the mid-Atlantic and Midwest looking at other facilities, so this has been a competitive project. He asked the Boards to consider the request for the incentives package to allow for the expansion in Asheboro.

**Janet Pate**, 3901 Hillsdale Park Dr., Sophia, stated from what she understood that the company that bought Technimark is worth billions of dollars. She asked why Randolph County is giving money away to large corporations who have the money to pay for projects themselves.

Hearing no further comments, Chairman Holmes and Mayor Smith requested motions from their respective boards.

#### **Adoption of Resolution Approving Incentive Request for Technimark LLC**

*On motion of Kemp, seconded by Lanier, the Board voted unanimously to adopt a resolution to enter into an economic incentives contract with Technimark LLC and the City of Asheboro and to authorize legal staff to draft a contract and to authorize the Chairman to sign the contract, as follows:*

**RESOLUTION AUTHORIZING THE COUNTY OF RANDOLPH TO ENTER INTO AN  
ECONOMIC DEVELOPMENT INCENTIVES CONTRACT**

**WHEREAS**, Section 158-7.1 of the North Carolina General Statutes authorizes a county to undertake an economic development project by extending assistance to a company in order to cause the company to locate or expand its operations within the county; and

**WHEREAS**, the Board of Commissioners of Randolph County has held a public hearing to consider whether to participate in an economic development project that will result in the County of Randolph (the "County"), the City of Asheboro (the "City"), and Technimark, LLC (the "Company") approving an economic development incentives package whereby the County and the City each contribute up to five hundred thousand dollars (\$500,000.00) for a total payment of up to one million dollars (\$1,000,000.00) to the Company to offset the costs of the Company's expansion in the City of Asheboro, Randolph County, North Carolina, said incentives to be granted pursuant to an economic development incentives contract entered into pursuant to Section 2 of this resolution; and

**WHEREAS**, upon the completion by the Company of this expansion project, the Company will have generated new value/investment in real and personal property and equipment associated with the project in an amount equal to or in excess of forty-six million dollars (\$46,000,000.00), a minimum of six million dollars (\$6,000,000.00) of said investment to be made in new value in real property, and created a minimum of two hundred twenty-four (224) new full-time jobs in the County and City; and

**WHEREAS**, this economic development project will stimulate and stabilize the local economy, promote business in the County and City, and result in the creation of a significant number of jobs in the County and City; and

**WHEREAS**, the County has in its General Fund available revenues sufficient to fund this economic development project;

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Commissioners of Randolph County, this 6<sup>th</sup> day of October, 2014, as follows:

**Section 1.** The County is authorized to expend up to five hundred thousand dollars (\$500,000.00) of County funds for the Technimark economic development project.

**Section 2.** In addition to the standard terms found in contracts that the County routinely executes in the ordinary course of business, the economic development incentives contract entered into by and between the County, the City, and the Company must contain the following essential terms and conditions:

- a. The total payment made to the "Company" under this contract shall not exceed one million dollars (\$1,000,000.00).
- b. Fifty-percent of the contract amount will be paid by the County, and the other fifty-percent of the contract amount will be paid by the City.
- c. The contract amount will be paid in six (6) installments in amounts as detailed below at a frequency not to exceed one installment per fiscal year (July 1-June 30). The initial installment payment shall be made no sooner than January 1, 2015, and the final installment payment shall not be made later than December 31, 2022. The obligation of the County to make any installment payments specified herein shall be conditioned upon the satisfactory completion by the Company of certain performance requirements. Along with investments by the Company itself, these performance requirements may be satisfied with investments in real and personal property for which legal title is held by the Company's related business entities and customers so long as such property is part of the expansion of operations contemplated by the economic development project that gave rise to the proposed contract and so long as any and all such real and personal property is domiciled within the City of Asheboro, Randolph County, North Carolina. The said performance requirements include, but are not limited to, the following:

- i. *The Company must deliver to the County and the City written certification that the actual value of new investment by the Company in real and personal property in connection with this project equals or exceeds eleven million and no/100 dollars (\$11,000,000.00). The written certification of the actual value of the new investment shall further certify that said new investment is located within the corporate limits of the City of Asheboro. Additionally, the Company must provide Employment Security Reports to the County and the City evidencing the creation of eighty-eight (88) new full-time jobs. Upon receipt of said certifications, the County and the City shall remit a total payment of one hundred sixty thousand and no/100 dollars (\$160,000.00), fifty-percent to be paid by the County and fifty-percent to be paid by the City; and*
- ii. *The Company must deliver to the County and the City written certification that the actual cumulative value of the new investment by the Company in real and personal property in connection with this project equals or exceeds eighteen million and no/100 dollars (\$18,000,000.00). This written certification of the actual cumulative value of the new investment shall further certify that said new investment is located within the corporate limits of the City of Asheboro. Additionally, the Company must provide Employment Security Reports to the County and the City evidencing the creation of an additional thirty-six (36) new full-time jobs. Additionally, the Company must deliver to the County and the City written certification that the Company has not reduced its level of operations in the County and the City since the date of payment by the County and the City of the immediately preceding installment payment. By way of illustration and without limitation, the Company shall be deemed to have reduced its level of operations in the County and the City if the Company fails to maintain the entirety of newly created jobs referenced in Paragraph (i) above. Upon receipt of the required certifications, the County and the City shall remit a total payment of one hundred sixty thousand and no/100 dollars (\$160,000.00), fifty-percent to be paid by the County and fifty-percent to be paid by the City; and*
- iii. *The Company must deliver to the County and the City written certification that the actual cumulative value of the new investment by the Company in real and personal property in connection with this project equals or exceeds twenty-five million and no/100 dollars (\$25,000,000.00). This written certification of the actual cumulative value of the new investment shall further certify that said new investment is located within the corporate limits of the City of Asheboro. Additionally, the Company must provide Employment Security Reports to the County and the City evidencing the creation of an additional thirty-seven (37) new full-time jobs. Additionally, the Company must deliver to the County and the City written certification that the Company has not reduced its level of operations in the County and the City since the date of payment by the County and the City of the installment payment referenced in Paragraph (ii) above. Upon receipt of the required certification, the County and the City shall remit a total payment of one hundred sixty thousand and no/100 dollars (\$160,000.00), fifty-percent to be paid by the County and fifty-percent to be paid by the City.*
- iv. *The Company must deliver to the County and the City written certification that the actual cumulative value of the new investment by the Company in real and personal property in connection with this project equals or exceeds thirty-two million and no/100 dollars (\$32,000,000.00). This written certification of the actual cumulative value of the new investment shall further certify that said new investment is located within the corporate limits of the City of Asheboro. Additionally, the Company must provide Employment Security Reports to the*

*County and the City evidencing the creation of an additional thirty-two (32) new full-time jobs. Additionally, the Company must deliver to the County and the City written certification that the Company has not reduced its level of operations in the County and the City since the date of payment by the County and the City of the installment payment referenced in Paragraph (iii) above. Upon receipt of the required certification, the County and the City shall remit a total payment of one hundred sixty thousand and no/100 dollars (\$160,000.00), fifty-percent to be paid by the County and fifty-percent to be paid by the City.*

*v. The Company must deliver to the County and the City written certification that the actual cumulative value of the new investment by the Company in real and personal property in connection with this project equals or exceeds thirty-nine million and no/100 dollars (\$39,000,000.00). This written certification of the actual cumulative value of the new investment shall further certify that said new investment is located within the corporate limits of the City of Asheboro. Additionally, the Company must provide Employment Security Reports to the County and the City evidencing the creation of an additional thirty-one (31) new full-time jobs. Additionally, the Company must deliver to the County and the City written certification that the Company has not reduced its level of operations in the County and the City since the date of payment by the County and the City of the installment payment referenced in Paragraph (iv) above. Upon receipt of the required certification, the County and the City shall remit a total payment of one hundred sixty thousand and no/100 dollars (\$160,000.00), fifty-percent to be paid by the County and fifty-percent to be paid by the City.*

*vi. The Company must deliver to the County and the City written certification that the actual cumulative value of the new investment by the Company in real and personal property in connection with this project equals or exceeds forty-six million and no/100 dollars (\$46,000,000.00). This written certification of the actual cumulative value of the new investment shall further certify that said new investment is located within the corporate limits of the City of Asheboro. The Company must also deliver to the County and the City written certification that the Company has not reduced its level of operations in the County and the City since the date of payment by the County and the City of the installment payment referenced in Paragraph (v) above. Upon receipt of the required certification, the County and the City shall remit a total payment of two hundred thousand and no/100 dollars (\$200,000.00), fifty-percent to be paid by the County and fifty-percent to be paid by the City.*

*d. The contract must provide the County and the City with a means of recouping a portion of the contract amount if the Company's facilities, as expanded, do not remain in full operation, maintaining the newly created jobs referenced above, for a period of six (6) years immediately following the date on which the final installment of the contract amount is paid to the Company.*

*e. If the Company does not remain in full operation during this six (6) year period, a portion of the incentive money must be returned. The amount to be returned shall decrease on a pro-rated amount for each year that the company remains in the City and County. Any amounts returned by the company in this manner shall be divided equally between the County and the City.*

**Section 3.**     *The Chairman of the Randolph County Board of Commissioners is hereby authorized to execute on behalf of the County of Randolph a contract drafted in accordance with*

*Section 2 of this resolution and any other documents necessary for the implementation of this economic development project.*

Commissioner Frye responded to the comments by stating that the incentives are a net benefit to the taxpayers of Randolph County and the City of Asheboro. When considering incentives they look at jobs. This project brings 225 new jobs for people in this county who will use their wages and reinvest it back in this community, by paying sales tax every time they spend those dollars. He stated that it has been his experience that the families of this county would rather be on a payroll than live on a welfare check and dependent on the government to take care of them. Randolph County has one of the lowest unemployment rates and has for several months. He said if you think incentives are expensive then compare that to the costs that would have to be paid by the government for all the services and public support that they can get if they don't have jobs. Commissioner Frye said he didn't particularly like incentives and Randolph County didn't start the business of incentives, but it has become a process in which they have to go through in order to get and keep jobs locally.

**City of Asheboro Approval of Incentive Request**

The City of Asheboro also voted unanimously to approve the incentive request.

**City of Asheboro Adjournment**

The Asheboro City Council adjourned.

**County Adjournment**

At 6:20 p.m., the Board of Commissioners adjourned.

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*J. Harold Holmes, Chairman*

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*Darrell L. Frye*

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*Phil Kemp*

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*Arnold Lanier*

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*Stan Haywood*

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*Amanda Varner, Clerk to the Board*